GOVERNMENT OF ANDHRA PRADESH

ABSTRACT

ITE&C Department – Promotion Wing - Andhra Pradesh Quantum Computing Policy (2025-30) – Operating Guidelines for Implementation – Orders – Issued.

INFORMATION TECHNOLOGY, ELECTRONICS & COMMUNICATIONS (PROMOTIONS) DEPARTMENT

G.O.MS.No.63 Dated: 30.11.2025

Read the following

Ref:

1. G.O.Ms.No. 54, IT,E&C (Promotion Wing) dated: 11.11.2025
2. G.O.Ms.No.35 IT, E&C (INFRA WING) Department, Dated: 07-09-2025.

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ORDER:

In the reference 1, the Government has announced the implementation of the Andhra Pradesh Quantum Computing Policy (2025-30), aims to establish India's largest open quantum testbed, QChipIN, providing end-to-end access to quantum hardware, tools, and expertise, while simultaneously accelerating domestic production of quantum components to build a self-reliant supply chain. It will also create an integrated quantum skilling ecosystem to strengthen education and research, support startups through funding, mentorship, regulatory facilitation, and infrastructure access, and promote global collaboration by hosting a Global Quantum Collaboration Council to harmonize standards, enable joint R&D, and build trusted international quantum networks.

2. In the reference 2, the Government constituted two high-level committees, the Apex Committee, and the Expert Committee, to provide structured oversight, specialized expertise, and strategic direction to the State's quantum mission. The Committee will serve as a platform for policy discussions and will provide high-level strategic guidance for the State's quantum mission, advising the Government on Andhra Pradesh's long-term positioning in the global quantum ecosystem and supporting the formation of national and international research collaborations, industry partnerships, and ecosystem-building strategies. the Committee will offer detailed technical oversight on the implementation of quantum technologies, evaluate technical proposals and infrastructure needs, and recommend use cases across Government departments, academia, startups, and industries.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

BHASKAR KATAMNENI

SECRETARY TO GOVERNMENT

To:

The Secretary, Department of Science & Technology, GoI

The Secretary, Ministry of Electronics & Information Technology (MeitY), GoI

The Mission Director, National Quantum Mission

The Director, IIT Madras

The Director, IIT Tirupati

The Director, IISc Bangalore

The Director, IIT Bombay

The Director, IIT Delhi

The members of Apex Committee, State Quantum Mission – Andhra Pradesh

The members of Expert Committee, State Quantum Mission – Andhra Pradesh

The Board of Directors of Amaravati Quantum Computing Centre (AQCC)

M/s. TCS Limited

M/s. IBM

M/s. L&T Limited

The APCRDA, Amaravati

The Spl. Chief Secretary to Government, Revenue (CT) Department

The Secretary to Govt., Industries and Commerce Dept.

The VC&MD, APIIC Ltd, Vijayawada

The Principal Secretary to Government, Finance Department

The Principal Secretary to Government, Energy, I&I Department

The Director, Industries, Andhra Pradesh

The CEO, Andhra Pradesh Economic Development Board

The MD, APTS, Vijayawada

Copy to:

The OSD to Hon'ble Minister for Information Technology, Andhra Pradesh

The PS to Principal Secretary to Hon'ble Chief Minister

The LET & F (Employment) Department.

The Law (B) Department

The P.S. to Secretary to Government & CIP

The P.S. to Secretary/Special Secretary to Government, IT, E&C Department SC/SF

// FORWARDED: BY ORDER //

SECTION OFFICER

ANNEXURE

(Annexure to G.O.Ms.No.63 , ITE&C(Prom Wing) Dept., dated:30.11.2025)

Operating Guidelines for the Andhra Pradesh Quantum Computing Policy 2025-30

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1. Background

1.1. The Government of Andhra Pradesh (GoAP) is dedicated to building a strong foundation for quantum technology innovation and entrepreneurship. The **Andhra Pradesh Quantum Computing Policy** aims to position the state as a global leader in quantum research, development, and commercialization. This policy establishes a comprehensive framework to accelerate quantum technology adoption by providing world-class infrastructure, research support, and strategic incentives to innovators and enterprises.

1.2. This guidelines document serves as a practical roadmap for executing the Quantum Computing Policy effectively. It provides clear, actionable steps for all stakeholders—government agencies, industry partners, academic institutions, and startups—to collaborate and advance the state's quantum technology agenda. By detailing processes and responsibilities, the document ensures alignment and synergy among all participants in creating a thriving quantum ecosystem.

1.3. These guidelines also define the eligibility criteria, incentive applicability, and claim procedures for all applicants seeking benefits under the **Andhra Pradesh Quantum Computing Policy 2024–2029**. This ensures transparency and ease of access for innovators and organizations leveraging the state's quantum initiatives.

2. Definitions

2.1. Policy Period

Andhra Pradesh Quantum Computing Policy 2025-30 will be operational for 5 years from the date of notification.

2.2. Area of Operation

The policy is applicable to entities that setup and operate within the notified region of Amaravati quantum valley.

2.3. Entity

An entity may be a Private Limited Company (as per the Companies Act 2013), a Registered Partnership Firm (under the Partnership Act, 1932), Limited Liability Partnership (under the Limited Liability Partnership Act, 2008)

2.4. Government/GoAP:

Unless otherwise specified, Government/GoAP refers to Government of Andhra Pradesh.

2.5. NQM:

NQM stands for National Quantum Mission which is implemented by Department of Science and Technology, Ministry of Science and

Technology, Government of India

2.6. **State Quantum Mission:** State Quantum Mission refers to Andhra Pradesh State Quantum Mission established by the Government of Andhra Pradesh.

2.7. **Expert Committee (EC-SQM):** Expert Committee is a committee constituted by the Government of Andhra Pradesh with experts from quantum computing domain, notified by IT,E&C Department, GoAP, vide G.O.MS.No. 35, dated 07-09-2025.

2.8. **Apex Committee (AC-SQM):** Apex Committee is a committee constituted by the Government of Andhra Pradesh with experts from academic and industrial background, notified by IT,E&C Department, GoAP, vide G.O.MS.No. 35, dated 07-09-2025.

2.9. **AQCC:** Amaravati Quantum Computing Centre Limited is a Government of Andhra Pradesh owned company.

2.10. **Nodal Agency:** Andhra Pradesh Economic Development Board

2.11. **Policy:** Policy means "The Andhra Pradesh Quantum Computing Policy"**, notified by IT,E&C Department, vide G.O.Ms.No.54, dated 11.11.2025**

2.12. Startup

1. An entity will be considered as a Startup if it qualifies the below mentioned conditions defined by Government of Andra Pradesh. However, the policy will time to time adopt the amendments and changes made to the definition by DPIIT from time to time and release a notification for the same.

a. The Startup should be incorporated as a private limited company (as defined in the Companies Act, 2013) or registered as a partnership firm (registered under Section 59 of the Partnership Act, 1932) or a limited liability partnership (under the Limited Liability Partnership Act, 2008) in Andra Pradesh.

b. Turnover of the entity since incorporation/registration should not have exceeded INR 100 Crores for any of the financial years.

c. An entity shall be considered as a startup up to 10 years from the date of its incorporation.

d. The entity should be working towards innovation, development or improvement of products or processes or services, or if it is a scalable business model with a high potential of employment generation or wealth creation.

2. **Exclusions:** A company, in order to qualify as a startup under this policy, should not have been:

a. Formed by demerger or reconstitution of a business already in existence.

b. A Section 8 company or Trust/Association/Society

c. Public-private partnership company/firm

d. A franchisee of an existing business or promoted/sponsored/related to an industrial group in the state.

e. A subsidiary of a firm in the state other than the startup itself

3. **Inclusions:** A company shall qualify as a startup if it is a:

a. Subsidiary of a startup

b. Combined entity formed by merger of startups/subsidiaries of a startup.

4. **Exit Clause:** A startup will cease to receive benefits under this policy on completion of ten 4 years from the date of its incorporation/ registration or if its turnover for any previous year exceeds INR 100 Crore.

2.13. **SIPC:** The State Investment Promotion Committee
2.14. **SIPB:** State Investment Promotion Board
2.15. **Month:** Month means calendar month
2.16. **Financial Year:** 1st April to 31st March
2.17. **First Half Year:** 1st April to 30th September
2.18. **Second Half Year:** 1st October to 31st March of next year
2.19. **DST:** DST stands for Department of Science and Technology, Ministry of Science and Technology, Government of India
2.20. **APCRDA:** Andhra Pradesh Capital Region Development Authority
2.21. Amaravati quantum valley:

2.22. Fixed Capital Investment (FCI)

Fixed Capital Investment means investment on land, building, office, plant, machinery & equipment unless otherwise specified separately. Fixed capital Investment does not include working capital costs or any other operational costs.

2.23. Acceleration Programs:

Acceleration programs are designed to provide intensive support to startups that have moved beyond the initial idea stage and are ready to scale their operations. These programs typically last for a few months and offer a structured environment where startups can receive mentorship, resources, and networking opportunities.

2.24. Prototyping

Prototyping is the process of creating preliminary models or samples of a product, website, or app before it is built. It allows designers and stakeholders to visualize how a product will look and feel, as well as how users will interact with it.

2.25. Seed Funding

Seed capital is the initial funding used to begin the creation of a business or a new product. Generally, seed capital is used to develop a business idea to the point that it can be presented effectively to venture capital firms that have large amounts of money to invest.

2.26. Venture Capital

Venture Capital firms invest in startups at a later stage. Startups with a potential to grow, need a certain amount of investment. Wealthy investors like to invest their capital in such businesses with a long-term growth perspective. This capital is known as venture capital and the investors are called venture capitalists.

2.27. Venture Capital Funds

Investment funds that manage money from investors seeking equity stakes in startups with strong growth potential. These investments are generally characterized as high-risk/high-return opportunities.

2.28. Tax or SGST

Tax means tax paid to Government of Andhra Pradesh Commercial Tax

Department by the way of State Goods and Services Tax (SGST) on goods produced by the Industrial Enterprise.

3. Institutional Mechanism for incentive approvals and incentive claim processing

3.1. For the purpose of processing the claims the state has following committees to recommend and approve incentives as per policy or to extend tailor-made Benefits.

3.2. Only eligible projects under the policy will be allowed to file claims for incentives under the policy. Approval will be provided by EC-SQM for incentives which are as per policy. For projects/applications seeking tailor made incentives, the same will be sent to government for review and approval.

3.3. Tailor made incentives:

1) Eligible companies desirous of seeking financial assistance/ concessions, **beyond those already provided in the policy**, must present detailed representations along with project reports to IT, E&C department, clearly spelling out special incentives being sought with due justification before or during initial stages of implementation.

2) On receipt of such proposals, Nodal Agency will examine the same with due diligence and forward it to the Government through EC-SQM following due procedure defined before placing it in the State Investment Promotion Committee (SIPC) and State Investment Promotion Board (SIPB) for taking the decision in the matter.

#	Process for approving Tailor Made Incentives
1	Investor Submits Detailed Project Report (DPR) to Nodal Agency
2	Nodal Agency to scrutinize the DPR, assess benefits to the state and put up the case to EC-SQM for evaluation
3	EC-SQM to review and recommend projects to IT, E&C department, who will review and forward case to SIPC.
4	SIPC to review and recommend to SIPB based on merit of the case
5	SIPB to review and provide approval
6	IT, E&C Department to issue Government Order for every case, with list of incentives

4. Incentive approval and claim procedure - Startups

4.1. Project Proposal Submission:

All Startups who wish to claim benefits should get their project proposal approved by the government. The firms should submit a project proposal, detailing the following:

1) About the Company
2) Background of the promoter
3) Innovation in the startup
4) Relevance to Quantum Computing field
5) Total Investment & Employment
6) Timeline for completion of the project.

4.2. Incentive verification process:

1) EC-SQM will approve all incentive applications, except in cases of equity based funding by government, which will be referred to SIPC and SIPB

2) Startups can claim and get sanction for all the incentives at one time, or they can file for individual incentives as and when required.

3) All reimbursements to be claimed within 6 months of incurring expenditure.

4) Disbursement can be made based on progress report and maturity of the startup growth

5) The incentive for the next stage will be granted post evaluation of the previous phase performance.

4.3. Startup Grant:

The following aspects may be evaluated by EC-SQM for startups applying for Grants:

1) **Founding Team**: Experience, skills, and commitment of the founders.
2) **Relevance to the Quantum Computing field**
3) **Innovation Aspect**: In case of new innovations, uniqueness of the idea, technological advancement, potential cost competitiveness, ability to solve a unique problem statements or ability to create new demand.
4) **Market Opportunity**: Size and growth potential of the target market.
5) **Product/Service**: Feasibility, and development stage of the product or service.
6) **Traction**: Early signs of customer interest, such as pre-orders, pilot programs, or user engagement or similar metrics from competitors, either within our outside India
7) **Business Model**: Clarity of the revenue model.
8) **Prototypes/MVP**: Path to a Minimum Viable Product (MVP) or prototype generation demonstrating the concept.
9) For grants, the disbursal may happen in 3 phased installments. The 3 phases are:

a) Phase 1- 15% of approved grant
b) Phase 2- 30% of the approved grant
c) Phase 3- 55% of the approved grant

4.4. Seed funding and Go-to-Market support

The following aspects may be evaluated for startups/students applying for

seed funding **or** go to market support based on equity support model:

1) **Revenue model and financial viability**: Revenue, path to profitability, and financial projections.
2) **Customer Base**: Number of potential/acquired customers, customer acquisition cost, and retention rates.
3) **Market Position**: Competitive landscape and the startup's addressable market share.
4) **Scalability**: Ability to scale operations and grow the business.
5) **Operational Efficiency**: Efficiency of business processes and resource management.
6) **Team Expansion**: Growth and development of the team, including key hires.

4.5. The applications should include a detailed breakdown of cost and justification of the cost involved and progress made in previous stage of funding. Post submission of application, the proposal will be duly evaluated by the EC-SQM and the approved proposals will be submitted to the SIPC for approval along with a term sheet and final agreement, on case to case basis. The same may be disbursed post receipt of all approvals.

4.6. Support for attending events/ Fairs etc.

1. Startups are eligible to claim reimbursement of their participation expenses in the event.

2. Startups applying for reimbursement must have received an invitation letter / registration confirmation from the event organizers.

3. Startups can file for the incentive directly on the online portal.

4. The following expenses can be claimed for reimbursement by the startups: -

a) Travel expenses.
b) Lodging
c) Participation fee or registration fee and stall fees (own or fabricated)

5. Startups will be required to submit an event participation report for reimbursement of their expenses:

a) Event name, venue, organizers, event details etc.
b) Results and benefits received.
c) Tax invoice
d) Photographs
e) Number of participants from the startup team
f) Details of expenditure as per above expenditure items
g) Canceled check with bank details.
h) Other necessary records and details

6. Nodal Agency may disburse the amount post evaluation and approval of EC-SQM.

4.7. Accelerator program support

1) Startups are eligible to claim reimbursement of their participation expenses in the events:

a) The Startup can apply for reimbursement after successful completion of the acceleration program along with the requisite supporting documents as prescribed under this scheme document.

b) Only the program fees charged by the agency will be reimbursed.

c) The program will be from a reputed institute or corporate. Online programs from sources without prominence may not be eligible for reimbursement. EC-SQM may take a decision in case of disagreement on reputation of the training institute.

2) Startups will be required to submit a program participation report for reimbursement of their expenses:

a) Program name, venue, organizers, event details etc.
b) Results and benefits received.
c) Photographs
d) Number of participants from the startup team
e) Details of expenditure as per above expenditure items
f) Canceled check with bank details.
g) Other necessary records and details

3) Nodal Agency may disburse the amount post evaluation and approval of EC-SQM.

4.8. Patent filing cost:

1) Only patent filing fees will be reimbursed.

2) Startups will be required to submit a brief on the patent for reimbursement of their expenses.

3) Nodal Agency may disburse the amount post evaluation and approval of EC-SQM.

4.9. Rental subsidy

1) Eligible startups can apply through the online Portal.

2) Nodal Agency will identify and facilitate appropriate location for eligible startups.

5. Incentive approval and claim procedure – Academic Projects

5.1. To claim Incentives for Academic projects:

1) Who Can Apply

- **Academic Institutions**: Public or private universities and research institutes with a well-established research support system.
- Applicants should apply:
  - **Jointly** with any academic institution physically located in the State of Andhra Pradesh.
  - Can include an industrial partner.

- Joint applicants can also involve industry partner who is:
  - Registered under the **Indian Companies Act, 2013**.

2. Technical Eligibility

The applicant must have either:

- Completed **at least one funded project** in the same research area as the proposed project. (OR)
- Authored **at least one publication** (indexed in Scopus/Web of Science) as first or lead author or filed patents in the same research area.

3. Project Requirements

- Projects should have a **well-established proof-of-principle** and aim to develop a **prototype** of a product/technology with **national relevance or commercial potential**.
- **Basic/exploratory research** or projects without clear proof-of-principle or low commercial potential may **not be supported**.

4. Approval

- All such proposals will be put up to EC-SQM for review and approval on case-to-case basis.

5.2. Project Proposal Submission:

All institutes who wish to claim benefits should get their project proposal approved by the government. The institutes should submit a project proposal, detailing the following:

1) About the Institute
2) Background of the team
3) About partner institute in Andhra Pradesh and their contribution to the project.
4) Details of Indian entity which will receive and utilize funds
5) Relevance to Quantum Computing field
6) Total Investment/ employment/ team size
7) Timeline for completion of the project.

5.3. Incentive verification process:

1) EC-SQM will approve all incentive applications, which will be referred to SIPC and SIPB
2) Institutes can claim and get sanction for all the incentives at one time, or they can file for individual incentives as and when required.
3) All reimbursements to be claimed within 6 months of incurring

expenditure.

4) Disbursement can be made based on progress report and maturity of the startup growth

5) The incentive for the next stage will be granted post evaluation of the previous phase performance.

5.4. Academic Grant:

The following aspects may be evaluated by EC-SQM for startups applying for Grants:

1) **Team**: Experience, skills, and commitment of the research team.
2) **Relevance to the Quantum Computing field**
3) **Innovation Aspect**: In case of new innovations, uniqueness of the idea, technological advancement, potential cost competitiveness, ability to solve a unique problem statements or ability to create new demand.
4) **Market Opportunity**: Size and growth potential of the target market.
5) **Product/Service**: Feasibility, and development stage of the product or service.
6) **Traction**: Early signs of customer interest, such as pre-orders, pilot programs, or user engagement or similar metrics from competitors, either within our outside India
7) **Business Model**: Clarity of the potential revenue model.
8) **Prototypes/MVP**: Path to a Minimum Viable Product (MVP) or prototype generation demonstrating the concept.
9) For grants, the disbursal may happen in 3 phased installments. The 3 phases are:

   a) Phase 1- 15% of approved grant
   b) Phase 2- 30% of the approved grant
   c) Phase 3- 55% of the approved grant

5.5. Support for attending events/ Fairs etc.

1. Institute is eligible to claim reimbursement of their participation expenses in the event.

2. Institute applying for reimbursement must have received an invitation letter / registration confirmation from the event organizers.

3. Institute can file for the incentive directly on the online portal.

4. The following expenses can be claimed for reimbursement by the startups: -

   a) Travel expenses.
   b) Lodging
   c) Participation fee or registration fee and stall fees (own or fabricated)

5. Institute will be required to submit an event participation report for reimbursement of their expenses:

   a) Event name, venue, organizers, event details etc.
   b) Results and benefits received.
   c) Tax invoice

d) Photographs
e) Number of participants from the startup team
f) Details of expenditure as per above expenditure items
g) Canceled check with bank details.
h) Other necessary records and details

6. Nodal Agency may disburse the amount post evaluation and approval of EC-SQM.

5.6. Accelerator program support

1) Startups are eligible to claim reimbursement of their participation expenses in the events:

a) The Startup can apply for reimbursement after successful completion of the acceleration program along with the requisite supporting documents as prescribed under this scheme document.

b) Only the program fees charged by the agency will be reimbursed.

c) The program will be from a reputed institute or corporate. Online programs from sources without prominence may not be eligible for reimbursement. EC-SQM may take a decision in case of disagreement on reputation of the training institute.

2) Institute will be required to submit a program participation report for reimbursement of their expenses:

a) Program name, venue, organizers, event details etc.
b) Results and benefits received.
c) Photographs
d) Number of participants from the startup team
e) Details of expenditure as per above expenditure items
f) Canceled check with bank details.
g) Other necessary records and details

3) Nodal Agency may disburse the amount post evaluation and approval of EC-SQM.

5.7. Patent filing cost:

1) Only patent filing fees will be reimbursed.

2) Startups will be required to submit a brief on the patent for reimbursement of their expenses.

3) Nodal Agency may disburse the amount post evaluation and approval of EC-SQM.

5.8. Rental subsidy

1) Eligible startups can apply through the online Portal.

2) Nodal Agency will identify and facilitate appropriate location for eligible Institute.

6. INCENTIVE APPROVAL AND CLAIM PROCEDURE – HARDWARE & COMPONENT MANUFACTURERS

6.1. Eligible Components: **For Hardware & Components Manufacturers including peripherals, optomechanical devices, cables etc. utilized in Quantum Computing hardware or applications. Others can claim incentives under various policies notified by the Government of Andhra Pradesh.**

6.2. For Early Bird Investors: First 10 projects approved by the Government

6.3. The cumulative incentive granted to any firm by GoAP will be capped at 50% of the investment made by the firm in the state.

6.4. All proposals will be reviewed by EC-SQM before submitting the same for review and approval of the Government.

6.5. Area of Operation: Projects to be setup in Quantum Hardware Park/ other notified areas in the state of Andhra Pradesh decided by GoAP.

6.6. All incentive claims will be submitted toEC-SQM for review and approval before disbursement.

6.7. Capital Subsidy

1) All eligible industrial Enterprises shall submit their claims only within six months from the DCP, subject to fulfilment of committed capacity of plant and machinery installation requirement, to the EC-SQM.

2) The subsidy shall be released to the Enterprises as per the project cost approved by the Financial Institution in case of aided enterprises and by the Chartered accountant in case of self-financed enterprises.

3) Enterprises achieving DCP, within the policy period will be eligible for investment subsidy, unless otherwise notified separately.

4) Investment Subsidy shall be applicable to all eligible New/Expansion/Diversification

6.8. Land Incentive: Discount on cost of land in Quantum Hardware Parks on a case-to-case basis.

6.9. Power Subsidy:

1) All eligible enterprises shall submit their claims within six months after completion of every half-year i.e., by 31st of March for first half-year and 30th of September for second half-year along with the documents mentioned in the application

2) This reimbursement is only on the energy consumption charges for number of units consumed in KVAH only but not on Contract Maximum Demand (CMD) or any other charges levied by DISCOMs. Residential & colony power consumption and open access power is not eligible for reimbursement of power cost.

3) The reimbursement of power cost shall be applicable to all eligible New Industrial Enterprises and Expansion/Diversification Projects, subject to fulfillment of all other conditions stipulated.

4) The power cost reimbursement shall be applicable to the Industrial Enterprises, which are utilizing power from DISCOMs and Rural Electrical Companies (RECs). However, power connection should be in

the name of the Enterprise/Industry.

5) Reimbursement of power cost will be allowed in case of expansion/ diversification projects over and above base power consumed. For the purpose of reimbursement, annual power consumption will be considered. The reimbursement will be made every six (6) months. But in case actual power consumed during the half year is less than the half year base consumption, then the consumption for that half year of expansion/diversification is treated as nil.

6) The base half year consumption will be half of highest annual power consumption of previous years of the expansion / diversification project as certified by the Chartered Accountant. If the Enterprise /Industry have taken up expansion / diversification in the same year, the base power consumption will be calculated proportionately. Power consumed over and above the base consumption will only be eligible for reimbursement of power cost.

7) In case Industry/ Enterprise purchases secondhand land and building along with power either on lease or outright sale, the unit will not be entitled for any power cost reimbursement if the power connection is in the original Industry/Enterprise name. However, if the Industry/Enterprise transfers the power connection in the name of the present enterprise they are entitled for power cost reimbursement provided they install the new plant and machinery.

6.10. Stamp Duty Subsidy:

1) Stamp Duty and Transfer duty shall be applicable on purchase of land meant for Industrial use.

2) Stamp duty will be reimbursed only one time on the land/building/shed and subsequent transactions will not be eligible for stamp duty reimbursement even in case of land purchases in open auction conducted by financial institution.

3) Stamp duty, Transfer duty on mortgages and hypothecations for lease of land/shed/building will be applicable to all eligible New Industrial Enterprises and Expansion/Diversification projects, subject to fulfillment of the conditions stipulated.

4) Stamp duty on Mortgages and hypothecations paid by an Enterprise for availing term loan from the financial institutions on assessed Fixed Capital Investment only would be eligible. This facility is not applicable on working capital. If the mortgage deed is registered in any state other than Andhra Pradesh in favour of any financial institution, then, this facility will not be extended.

5) The reimbursement of land conversion charges shall be applicable to all eligible new enterprises and Expansion/Diversification enterprises, subject to fulfillment of all other conditions stipulated.

6.11. SGST Subsidy:

1) All eligible Industrial Enterprises shall submit their claims within six months after completion of the financial year i.e. on or before 30th September as per check slip, to the concerned GM, DIC through online incentive portal.

2) Net SGST accrued to the state shall be reimbursed.

6.12. EC-SQM shall review and forward all projects eligible for tailor made incentives, on case-to-case basis to SIPC for review and approval.

6.13. All other definitions, terms and conditions shall be as per guidelines of Andhra Pradesh Electronics Policy, notified vide. G.O.Ms. No. 13, dated 06.05.2025 or its amendments made from time to time.

6.14. Companies can also apply under any other policy notified by IT,E&C Department, however approval will be given under any one policy only.

7. INCENTIVE APPROVAL AND CLAIM PROCEDURE – QUANTUM COMPUTING APPLICATIONS

7.1. This incentive is for firms creating applications/ providing IT services for quantum computing field

7.2. Firm with greater than INR 10 Cr in revenue or raised more than INR 10 Cr in funding

7.3. Incentive will be given for rental space only in notified areas by government from time to time.

7.4. All applications will be reviewed by EC-SQM for their relevance to quantum computing field

7.5. The firm receiving the benefit should be located in the state of Andhra Pradesh

7.6. For firms creating more than 100 employment, tailor made incentive package shall be offered, post evaluation of the application by EC-SQM. EC-SQM shall forward the application to SIPC, for their review and approval, on a case to case basis.

7.7. All incentive claims will be submitted toEC-SQM for review and approval before disbursement.

7.8. Rental Subsidy

1) All firms within eligible enterprises shall submit their claims online

2) The duration of incentive will start from date of approval of the project by EC-SQM or start of operations, whichever is later.

3) The unit shall submit proof of rent paid for the premises, for every month, duly attested by a chartered accountant.

7.9. IT Hardware Capex Support

1) All eligible industrial Enterprises shall submit their claims only within six months from the starting operations

2) The subsidy shall be released to the Enterprises as per the project cost approved by the Financial Institution in case of aided enterprises and by the Chartered accountant in case of self-financed enterprises.

3) Enterprises achieving starting operations, within the policy period will be eligible for investment subsidy, unless otherwise notified separately.

7.10. Early Bird Import Subsidy

1) Applicable for first 20 projects approved by EC-SQM

2) Firms should submit copies of all documents and bills post import of components necessary for building quantum computing application, duly attested by a chartered accountant.

3) EC-SQM will review whether the components imported are essential for building relevant quantum computing applications.

4) Firms should apply for incentive within 6 months of start of operations.

7.11. Talent Acquisition Support

1) All eligible enterprises shall submit their claims in the prescribed application form within six months from the completion of 18 months of the said employment position to IT, E&C Department, post start of operations.

2) Enterprises will be eligible for this incentive only for the new employment positions created in the state during the operative period of this policy.

3) In case, the firm is able to increase employment by another 70% post filing of first claim, this will be treated as expansion and the firm can claim this incentive for additional positions created. However, this incentive will not be given for replacement workforce and the firm has to maintain overall employment for the original application while claiming incentive for expansion.

4) Further, the IT industry/ enterprise shall createa minimum of 10 direct jobs in the state to be eligible for this incentive.

5) Replacement candidates for a given employment position for which incentive has already been claimed shall not be eligible for the incentive. Each employment position shall be given incentive only once.

6) This incentive shall be applicable to all eligible new and existing enterprises, only for those employment positions created post notification of this policy.

7) Base employment will be ascertained through EPF records before approving incentives.

7.12. Power Subsidy

1) All eligible enterprises shall submit their claims for reimbursement of power cost within six months after completion of every half-year i.e., by 31st of March for first half-year and 30th of September for second half- year

2) This reimbursement is only on the energy consumption charges for number of units consumed in KVAH only but not on Contract Maximum Demand (CMD) or any other charges levied by DISCOMs. Residential & colony power consumption and open access power is not eligible for reimbursement of power cost.

3) The power cost reimbursement shall be applicable to the eligible Enterprises, which are utilizing power from DISCOMs and Rural Electrical Companies (RECs). However, power connection should be in the name of the Enterprise/Industry.

8. INCENTIVE APPROVAL AND CLAIM PROCEDURE – DEPLOYMENT OF HIGH-PERFORMANCE COMPUTING AND MANUFACTURING HARDWARE FOR SAME

8.1. This incentive is for firms creating applications/ providing IT services for quantum computing field

8.2. Firm with greater than INR 10 Cr in revenue or raised more than INR 10 Cr in funding

8.3. Incentive will be given for rental space only in notified areas by government from time to time.

8.4. All applications will be reviewed by EC-SQM for their relevance to quantum computing field

8.5. The HPC and manufacturing/assembly unit receiving the benefit should be located in the state of Andhra Pradesh

8.6. All incentive claims will be submitted toEC-SQM for review and approval before disbursement.

8.7. Capital Subsidy

1) All eligible industrial Enterprises shall submit their claims only within six months from the starting operations

2) The subsidy shall be released to the Enterprises as per the project cost approved by the Financial Institution in case of aided enterprises and by the Chartered accountant in case of self-financed enterprises.

3) Enterprises achieving starting operations, within the policy period will be eligible for investment subsidy, unless otherwise notified separately.

8.8. Power Subsidy

1) All eligible enterprises shall submit their claims for reimbursement of

power cost within six months after completion of every half-year i.e., by 31st of March for first half-year and 30th of September for second half- year

2) This reimbursement is only on the energy consumption charges for number of units consumed in KVAH only but not on Contract Maximum Demand (CMD) or any other charges levied by DISCOMs. Residential & colony power consumption and open access power is not eligible for reimbursement of power cost.

3) The power cost reimbursement shall be applicable to the eligible Enterprises, which are utilizing power from DISCOMs and Rural Electrical Companies (RECs). However, power connection should be in the name of the Enterprise/Industry.

9. General Guidelines

9.1. Only eligible projects related to policy will be allowed to file claims for incentives under the policy.

9.2. When any matter arises for the purpose of interpretation on which EC- SQM could not take a decision or in case where any suggestions are made outside the scope of EC-SQM in regard to implementation of the scheme, such matters shall be referred to the Government of Andhra Pradesh for decision.

9.3. Without prejudice to anything included in this paragraph, it is hereby ordained that any willful misrepresentation of facts, action/ inaction on behalf of entrepreneur leading to irregular sanction/disbursement of incentives under the above policy will invite civil and criminal action as per extant laws besides recovery of the amount irregularly disbursed, if any, and debarring the unit from claiming incentives in the future.

9.4. All eligible Enterprises shall submit their incentive claims in the prescribed application form through Online Incentive Portal.

9.5. The incentives under this policy are in addition to any Government of India incentives or any other incentives obtained through other government of private agencies.

9.6. The approved projects, in which land allotment by government or government agencies is involved, will have to commence commercial operations within 3 (three years from the date of handing over of land) and where space allotment is involved, will have to commence commercial operations within one (1) year from the date of handing over of office space. However, MEC may take a decision extending the timelines after evaluation of justification stated by the enterprise.

9.7. In case of tailor-made incentives, any deviation from committed timelines of execution, will attract penalty, which will be deducted from the sanctioned incentives. EC-SQM, shall define penalty structure for any SLA breaches by the enterprises.

9.8. The enterprises availing incentives shall file claim application for each of the incentives they are eligible for, through online incentive portal/ application form as prescribed in the guidelines.

9.9. In case of capital subsidy, the following items shall not be computable towards Fixed Capital Investment (FCI):

1) Working capital, stores, and all consumables

2) Value of motor vehicles.

3) Pre-operative expenses, advances, expenditure not supported by payment of bills.

4) Investment made outside the approved project cost and items not covered by approved project.

5) Fixed assets which form part of project cost but not created within 6 months from the Date of operation (as filed in Single desk portal) or the date of filling the claim whichever is earlier if it is a financed enterprise.

6) Term loan sanctioned by the financial institution after start of operations.

7) In case of self-financed enterprise/ industry, the fixed assets created after the start of operations and payment made after start of operations.

8) Diesel generators.

9) Transformers.

10. PROCESS FLOW FOR INCENTIVE SANCTION

10.1. All incentive applications will be made toNodal Agency online. Post review and approval of EC-SQM, the decision will be communicated to the Joint Director, Promotions, IT, E&C Department for disbursement.

10.2. On receipt of the application for claiming incentives from the Enterprises, the inspection will be conducted to the Enterprise/Industry/Startup and verifies all the records/documents and provides recommendation in the inspection report to EC-SQM.

10.3. The inspecting officers verifies all the machinery/equipment/office furniture and works as per list with bills, payment proofs (validated with data from GSTIN or any other relevant databases linked through APIs) and certify on the list of equipment.

10.4. Inspection report will be made available to the entrepreneur through his/her login on the online portal.

10.5. If the entrepreneur doesn't agree with the inspection report, he/she can appeal within 30 days of publication and uploading the inspection report.

10.6. For all firms, appeals are submitted to Secretary, IT,E&C department, duly notifying Joint Director, IT Promotions, IT,E&C Department.

11. PROCEDURE FOR INSPECTION OF ENTERPRISES

11.1. The concerned inspecting officers shall inspect the enterprises once in 6 months after first inspection / from the date of previous inspection

11.2. The performance reports shall be obtained from the unit during the inspection in the prescribed format and the same shall be uploaded in the portal.

11.3. The claims received further shall be processed based on the earlier inspection / performance report filed earlier without inspecting the unit physically.

11.4. These performance reports shall also be utilized for analyzing the efficiency / performance of the unit and for facilitating other benefits if any.

12. PROCEDURE FOR DISBURSEMENT OF FUNDS

12.1. All sanctioned claims shall be kept ready in the chronological orders (as per the date of approval) for disbursement. No documents shall be uploaded by the entrepreneur for disbursement, except in cases involving courts, wherein court orders shall be honored.

12.2. The disbursements are made in a bunch of cases through consolidated release proceedings generated through online system observing the chronological order of such meetings held. The disbursement shall be made on the Integrated CFMS system based on the Proceedings generated.

12.3. Wherever the IT,E&C department finds any entity is sick, closed, change of management taken place, change of financial institution, shifting part of the machinery etc. or for any other reason not worthy of receiving subsidy till further examination, the IT, E&C Department shall not disburse the subsidy to such entity and a written intimation to be given to the Industry/Enterprise by the IT,E&C department. In case of above two situations, the subsidy shall be disbursed only after further clearance given by the EC-SQM.

12.4. However, if the unit was in continuous operation for a period as prescribed i.e. 3 years from DCO and the amount is pending to be released even after such period, that amount should be released without insisting working status.

12.5. In case of startups which have received grants and equity funding, the term sheet and agreement shall dictate the terms in case of winding up of the firm.

13. RECOVERIES OF INCENTIVES SANCTIONED UNDER THE POLICY.

13.1. Incentives/ concessions granted to firms shall be liable to be recovered under the following circumstances:

1) If the incentives/ concessions are obtained by the enterprise by misrepresentation of essential facts or by furnishing of false information or suppressions of facts or by submission of false/ fake documents etc. In addition to recovery of the incentives granted, penalty will be levied as deemed fit and disbursed amount and barred from availing incentives in future.

2) In case the enterprise goes out of operation within six (6) years from the DCO, as applicable. However, in the case where the unit remains out of operation for period up to 36 months due to the reasons beyond its control such as shortage of critical infrastructure, power and change of management, bills receivables, recession in the market, fire accidents and natural calamities etc., and the same is regularized by the EC-SQM, then the enterprise is exempted from recovery/ penalty.

3) If the unit fails to furnish the prescribed statements and/ or information when it is called upon to furnish.

4) If the unit effects change of management without prior approval from the financing institution concerned and the EC-SQM.

5) If the unit shifts a part or whole of the enterprise/ industry after receiving a part or whole of the incentives without prior approval of the EC-SQM.

6) If the whole or part of the unit is leased/ sold to another IT enterprise/ unit without the prior approval of the EC-SQM.

7) If the unit enters into a contract of any nature whatsoever by transferring the Management, without the prior approval of the EC-SQM.

13.2. In the event of recoveries for reasons arising mentioned above, they shall be recovered treating them as arrears of Land Revenue under A.P. Revenue Recovery Act, 1864 and the ITE&C Department officers will be designated as recovery officers by suitable Government Orders. In this regard, EC-SQM should monitor the progress of the unit and submit report to the ITE&C Department periodically.

14. FURNISHING OF STATEMENT OF ACCOUNT/ INFORMATION BY ELIGIBLE ENTERPRISES

The unit availing incentives for this project, shall furnish certified copy of audited accounts including balance sheet before 30th June of the succeeding year to IT,E&C Department through online system. Such statement should be furnished for a period of minimum six (6) years, as per the case. Further, the unit should also furnish details of operations, sales, employment, etc., through online system before 30th June of the succeeding year. In case the unit fails to submit the certified audited accounts including balance sheet or Annual Performance Report in time, the recurring incentives in future will not be disbursed.